



## Drinking Water State Revolving Fund Loan Program (DWSRF)

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### Loan Application Guidance

#### Welcome to our Program!

Thank you for your interest in the **Drinking Water State Revolving Fund Loan Program (DWSRF)**, and welcome to the first step in obtaining DWSRF funding! This document will guide you through completion of the application to obtain DWSRF funding.

The DWSRF Program plays a significant role in helping systems, especially small systems, meet the challenges of complying with new and existing drinking water standards. However, you may not know that the Program can also assist your system in implementing source water and wellhead protection measures by including these costs as a Nonpoint Source project done in conjunction with a DWSRF loan.

We offer **lower-than market interest rates** to political subdivisions and public water systems by obtaining annual capitalization grants from the U.S. Environmental Protection Agency and leveraging them in the bond market. To date, communities have used our low-interest loans to fund construction of more than 30 storage tanks across Indiana, adding more than 15 million gallons of storage. DWSRF has also funded treatment plant construction and upgrades, distribution lines, connection to backup water supplies, new well construction and replacement of aged equipment to name just a few of the eligible projects. **More than 70 Indiana communities** have used our Program to fund their drinking water infrastructure needs.

The DWSRF was established by the 1996 Safe Drinking Water Act (SDWA) Amendments and authorizes the U.S. Environmental Protection Agency (U.S. EPA) to grant monies to states to capitalize revolving loan funds. Interest rates are updated on a quarterly basis to ensure rates remain below open-market interest rates.

#### General Eligibility

Public water systems eligible for SRF assistance are non-profit and non-profit Community Water Systems (e.g. municipalities and private mobile home parks) and non-profit Non-Community Water Systems (e.g. schools, churches, day cares, and group homes).

**Eligible projects** for the DWSRF Program include:

- ✓ treatment plant construction and improvements;
- ✓ water line extensions;
- ✓ consolidation of systems;
- ✓ water tower construction and rehabilitation;
- ✓ new source intake structures and wells;
- ✓ materials and work done on publicly-owned property; and
- ✓ wellhead protection implementation (plan not applicable).

Items that are **not eligible** for DWSRF funding include:

- ✖ projects needed solely for fire protection (although it can be a secondary benefit);  
and
- ✖ projects designed solely to promote economic development.

## **Nonpoint Source Projects**

Nonpoint Source (NPS) pollution results when precipitation moves across the ground as runoff and carries pollutants from a variety of land use practices to waterbodies. Indiana has identified NPS pollution as the leading cause of surface water quality problems, including impairments to drinking water supplies, recreation, fisheries and wildlife; thus, SRF is eager to fund NPS water pollution abatement projects.

Eligible projects include the implementation of wellhead and source water protection measures. Completing a Nonpoint Source project may reduce your DWSRF project interest rate by up to 0.5% by reducing the total amount on all loan repayments by up to one-half of the total cost of the Nonpoint Source Project.

## **Completing the Application**

Please complete the DWSRF application form and submit it along with **one additional copy** to the address listed below. The application must be completed in full and signed by the authorized signatory.

The DWSRF Administrator will contact you to schedule a project planning meeting. During the meeting, you will describe your system's needs and proposed project, and SRF staff will explain the SRF process and Preliminary Engineering Report (PER) requirements. An applicant may close the loan after SRF staff has approved the PER, which details the proposed project's technical, financial and environmental aspects.

Please send the application and one copy to:

**Sarah Hudson  
DWSRF Administrator  
100 North Senate Avenue, Rm. 1275  
Indianapolis, IN 46204**

## **For More Information**

Please direct any questions to Sarah Hudson at (317) 232-8663 or [sahudson@ifa.in.gov](mailto:sahudson@ifa.in.gov). Visit our website at [www.SRF.IN.gov](http://www.SRF.IN.gov).